

Message Text

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PAGE 01 STATE 165281
ORIGIN EB-08

INFO OCT-01 EUR-12 IO-14 ISO-00 TRSE-00 AID-05 CEA-01
CIAE-00 COME-00 FRB-01 INR-10 NSAE-00 SP-02
STR-07 LAB-04 SIL-01 OMB-01 AGR-01 /068 R

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EB/ICD/TRP - D BURNS (SUBS)
EUR/RPE - P MCLEAN (SUBS)
TREASURY:DEISS
-----089749 291508Z /11

O R 291447Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS IMMEDIATE
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
USMISSION GENEVA
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME

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E.O. 11652:N/A

TAGS: ETRD, EEC, US

SUBJECT: COUNTERVAILING DUTY INVESTIGATION -- RAW AND
REFINED SUGAR FROM THE EC

REFS: A) STATE 161522, B) STATE 162961, C) STATE 164012

1. TREASURY ANNOUNCED JUNE 28 THAT IT IS SIMULTANEOUSLY
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INITIATING A COUNTERVAILING DUTY INVESTIGATION ON RAW AND
REFINED SUGAR FROM THE EUROPEAN COMMUNITY AND MAKING A
PRELIMINARY AFFIRMATIVE CVD DETERMINATION ON THESE PRODUCTS.
TEXT OF THE PRESS RELEASE CONTAINED PARA 2 BELOW. TREASURY
WILL PUBLISH BOTH NOTICES IN FEDERAL REGISTER OF JUNE 30.
NOTICES WILL PROVIDE FOR A COMMENT PERIOD THROUGH JULY 17,
NOT JULY 5 AS PREVIOUSLY REPORTED (REF B). THESE ACTIONS

ARE BEING TAKEN UNDER U.S. COUNTERVAILING DUTY LAW. TREASURY IS STILL EVALUATING WHETHER TO INITIATE AN ANTIDUMPING INVESTIGATION AS WELL.

2. BEGIN TEXT. TREASURY ANNOUNCES PRELIMINARY AFFIRMATIVE COUNTERVAILING DUTY DETERMINATION AND EXPEDITED INVESTIGATION OF SUGAR FROM EUROPEAN COMMUNITY.

THE TREASURY DEPARTMENT TODAY ISSUED A PRELIMINARY DETERMINATION THAT THE EUROPEAN COMMUNITY IS SUBSIDIZING EXPORTS

OF SUGAR AND INITIATED A FORMAL EXPEDITED INVESTIGATION UNDER THE COUNTERVAILING DUTY LAW. THIS ACTION WAS TAKEN BECAUSE OF THE LARGE SHIPMENTS FROM FRANCE AND BELGIUM ALREADY ENTERED AND THE SIZE OF THE SUBSIDY WHICH ALLEGEDLY EXCEEDS THE FOB PRICE OF THE SUGAR. THE ALLEGED SUBSIDY INVOLVES PAYMENT OF THE DIFFERENCE BETWEEN PRICES FOR SUGAR OBTAINED ON EXPORT SALES AND A MINIMUM INTERNAL EC PRICE FOR SUGAR SET UNDER THE EC'S COMMON AGRICULTURAL POLICY TO EXPORTERS, PROCESSORS, OR GROWERS OF SUGAR IN ANY OF THE NINE EC COUNTRIES.

ALLEGATIONS THAT EXPORTS OF SUGAR ARE BEING DUMPED ARE STILL BEING CONSIDERED ALTHOUGH NO DECISION TO INITIATE A FORMAL ANTIDUMPING INVESTIGATION HAS YET BEEN MADE.

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THE COUNTERVAILING DUTY LAW REQUIRES THE SECRETARY OF THE TREASURY TO COLLECT AN ADDITIONAL CUSTOMS DUTY EQUAL TO THE SIZE OF A BOUNTY OR GRANT (SUBSIDY) FOUND TO HAVE BEEN PAID BY FOREIGN GOVERNMENTS ON THE EXPORTATION OR MANUFACTURE OF MERCHANDISE IMPORTED INTO THE U.S. A PETITION WAS RECEIVED WHICH ALLEGED THAT IMPORTS OF SOME 50,000 TONS OF SUGAR FROM THE EC WERE BENEFITTING FROM SUBSIDIES UNDER THE COMMON AGRICULTURE POLICY OF THE EC.

TREASURY HAS PREVIOUSLY DETERMINED IN COUNTERVAILING DUTY CASES CONCERNING CANNED HAM, CHEESE, AND BUTTER COOKIES THAT COMPARABLE PAYMENTS PROVIDED UNDER THE COMMON AGRICULTURAL POLICY ARE BOUNTIES OR GRANTS WITHIN THE MEANING OF THE COUNTERVAILING DUTY LAW.

IMPORTS OF SUGAR FROM THE EUROPEAN COMMUNITY WERE VALUED AT APPROXIMATELY 10.9 MILLION DOLLARS IN 1977. NOTICE OF THIS ACTION WILL APPEAR IN THE FEDERAL REGISTER OF JUNE 30, 1978. END TEXT.

3. LONDON--PLEASE PASS DAVID BURNS OF EB/TRP NOW IN LONDON. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 29 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Litigation History:
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TAGS: ETRD, EAGR, US, EEC
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